INFORMATION LETTER

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Congress Sends Compromise Farm Bill to President

The House and Senate on August 17 adopted the conference report on the general farm bill, H. R. 9680, and cleared it for the President.

The legislation is being studied by N.C.A. Counsel, and an analysis of its provisions of concern to canners will be published soon in the INFORMATION LETTER.

Customs Bill Provides for Overhaul of Tariff Schedule

Congress this week completed action and sent to the President H. R. 10009, the Customs Simplification Act of 1954.

The bill directs the Tariff Commission to study tariff schedules and classifications and to submit recommendations to accomplish desirable simplification of classifications.

The Commission is directed not to recommend changes in any rate of duty unless, in its opinion, desirable simplification cannot be accomplished without such change. The legislation requires in such instances that

". . . the Commission shall specify each incidental change in rates which in its judgment would accomplish such purposes, and shall accompany it with a summary of all the data on which such suggested change was based, together with a statement of the probable effect of such suggested change on any industry in the United States. Before suggesting any changes in rates of duty, the Commission shall give public notice of its intention to do so and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at public hearings with respect to the probable effect of such suggested changes on any industry in the United States."

The Tariff Commission's recommendation for simplifying the tariff schedule is to be submitted to the President and to Congress within two years. An interim report on the problems

(Please turn to page 276)

Canned Foods as Healthful as Fresh, Says Article in McCall's

"Canned and frozen foods have essentially the same food value as fresh produce. Actually, they may even be better since they were picked at exactly the right stage of maturity and quickly processed under scientific, controlled conditions so as to retain the full natural flavor and maximum nutritive value."

So states an article entitled "How Fresh *Is* Fresh?", by Dr. Fredrick J. Stare and Julia A. Shea of the Department of Nutrition, Harvard School of Public Health, in the September issue of *McCall's* magazine.

The article points out that "fruits and vegetables are at their best—best in flavor and nutrition—when cooked one or two hours after picking, but practically speaking, this almost never happens to 'fresh' produce these days."

After citing the "thousands of hours spent by American housewives in preparing fresh produce in the erroneous belief they are feeding their families more 'healthfully,'" the article declares:

"The food values of fruits and vegetables begin to diminish from the actual moment of harvesting. Enzymes in foods, which help to ripen them in the first place, continue their work after picking until the produce becomes too ripe or mature. Thus some of the vitamins are lost. Extreme cold, used in the freezing process, slows down and stops this enzyme action. Heat, on the other hand, used in the canning process, destroys enzymes altogether. Since most of the canning and freezing plants are located near fields in which the produce is grown, fruits and vegetables can be picked and rushed to the plant at their peak of goodness. Consequently, food values and flavors are preserved at their finest. But these food values will be lost if the fruits or vegetables are overcooked by the homemaker."

The article concludes:

"By all means use fresh fruits and vegetables in your meal planning, for they are highly nutritious and flavorful, but they are not 'more healthful' than the canned and frozen ones. All are important from a nutritional standpoint, and all make an important contribution to the wonderful selection of foods that as Americans it is our good fortune to enjoy."

Simplified Recipe Terms for Canned Foods

In keeping with the recognized method by which consumers have come to measure the contents of canned foods, the N.C.A. Home Economics Division will describe the contents of cans or jars of food in terms of net weight or fluid ounces in all canned foods recipes.

For example, a No. 303 can of peas will be referred to in N.C.A. recipes as "1 can (17 ounces) peas."

The new method conforms with general consumer understanding and has the approval of other home economists in the canning industry. The new method is being recommended for use by food writers and others in the food field.

Food editors and other writers repeatedly have criticized the use of the industry's many numerical terms in recipe writing, and have asked for a more simplified descriptive terminology. Consequently, the Home Economics Division studied store advertising, interviewed food store clerks,

(Please turn to page 276)

N.C.A. Mobile Field Lab Operates in New York State

The N.C.A. Mobile Field Laboratory will be in operation in New York State during the period of August 20 to September 18.

Emphasis will be placed on bacteriological studies of tomato juice canning operations and all tomato juice canners throughout the state will be contacted.

Any canner in New York State who wishes to consult with the field laboratory personnel on any technical problem or subject is urged to notify the N.C.A. Washington Research Laboratory, 1133 20th St., N.W., Washington 6, D. C.

Business Indicators

Reports through July and the first week in August indicated that business activity was generally stable. Industrial production, employment, prices, and retail sales changed little. Construction activity rose further. Farm crop prospects deteriorated because of the hot dry weather. Credit availability remained easy. The American Institute of Economic Research in its August 16 bulletin stated that some additional inflation might be expected during the remainder of 1954 and hence, by late fall or early winter, a renewed upward trend may again bring general business activity and a general production above the long-term trend.

Industrial Production

The Federal Reserve Board's seasonal adjusted index held steady in July at the May-June level of 124 percent of the 1947-49 average. Durable goods production rose slightly and nondurable goods output was unchanged for the third consecutive month. Total industrial production in July was about 9.5 percent under a year ago while production of the canning and preserving industry was about 4 percent under a year ago. The following table shows the canning and preserving industry with comparisons:

Industrial Production (Unadjusted) (1947–49 = 100)	July	Change from Month ago	Change from Year ago
		—(*percent*)—	
Total industry	117	−5.6	−9.3
Manufactured food products*	107	+7.0	+1.9
Canned and Frozen Foods*	98	+15.3	−4.9

* June.

Employment

Seasonally adjusted employment in nonagricultural establishments declined slightly in July largely because of work stoppages in the lumber and rubber industries. There was a further reduction of employment in the metal working industries. Employment in the nonmanufacturing industries was relatively stable in July but was down about 9 percent from a year ago in canning and preserving.

Employment	July	Change from Month ago	Change from Year ago
	(*thousands*)	—(*percent*)—	
Total employment	62,148	+0.1	−1.5
Civilian labor force	65,495	+0.1	+1.3
Total manufacturing	15,661	−1.4	−9.7
Canning and Preserving Industry*	143	+5.9	−8.9

* June.

Sales and Inventories

Retail sales after adjustment for seasonal variation were stable during July. Department store sales were 3 percent above June and 2 percent above July a year ago. July automobile sales declined sharply from June but sales of most other merchandise was steady or higher. Sales by food and kindred products manufacturers were about 7 percent above a year ago and sales by canners and preservers were up 18 percent above a year ago.

Total business inventories declined in June by about 1½ percent below the May value and stood at a little more than 2 percent below the value of inventories a year earlier. Two exceptions to the general inventory picture were canning and preserving inventories, about 9 percent above a year ago, and retail food store inventories, more than 12 percent above a year ago. The value of inventories and sales of the canning and preserving industry gave this industry a sales inventory ratio of 1.0 compared with 1.2 a year ago. Hence, despite the increase in value of the canning and preserving inventories, the increase of 18 percent in sales actually makes the relationship between inventories and sales a very good one. In 1952 the inventory sales ratio (unadjusted) for canning and preserving was 2.4 and in 1951, 3.5. A comparison of the canning and preserving sales and inventories with total business and manufacturing is shown in the following table:

Sales and Inventories (Unadjusted)	June	Change from Month ago	Change from Year ago
	(*billion dollars*)	—(*percent*)—	
Inventories:			
Total business	78.2	−1.6	−2.1
Manufacturing	44.6	−0.8	−3.7
Food and kindred products	3.2	−0.1	+0.9
Canning and Preserving	0.6	+1.7	+8.9
Wholesale, total	11.5	−0.7	+0.2
Retail, total	22.1	−3.9	−0.1
Food stores	2.4	−1.9	+12.4
Sales:			
Total business	48.3	+4.9	−4.5
Manufacturing	24.3	+4.4	−6.8
Food and kindred products	3.8	+1.7	+6.6
Canning and Preserving	0.6	+4.1	+18.0
Wholesale, total	9.5	+11.1	−4.5
Retail, total	14.5	+2.1	−0.2
Food stores	3.4	−2.3	−0.3

Prices

Wholesale prices showed little change in July and early August. The retail index of canned food prices showed a mixed trend compared with a year ago. The wholesale prices of canned fruits and juices in July were about 1 percent above a year ago while the prices of canned vegetables and soups were more than 1 percent under year-ago prices. Prices of vegetables in July were 26.6 percent above a year ago, but prices of all farm products were down almost 2 percent.

The consumer retail price index rose slightly in June, primarily because of seasonal increases in fresh fruits and vegetables. All groups other than foods were unchanged or down slightly. The retail price index of canned fruits and vegetables was down almost 1 percent below year-ago prices. The wholesale price indexes of canned foods with comparisons are shown in the following table:

Prices (1947–49 = 100)	July	Change from Month ago	Change from Year ago
		—(*percent*)—	
Wholesale:			
All commodities	110.4	+0.4	−0.5
All foods	105.6	+2.8	+0.7
Farm products	96.2	+1.5	−1.7
Fruits, fresh	128.6	+11.6	+5.8
Vegetables, fresh	100.5	+18.2	+26.6
Fruits and Juices, Canned	110.6	+0.3	+1.2
Vegetables and Soups, Canned	103.6	−0.1	−1.3
Retail:			
All commodities	115.1	+0.1	+0.5
All foods	113.8	+0.4	+0.1
Canned Fruits and Vegetables	103.8	+1.0	−0.7

Income and Expenditures

Disposable personal income in the second quarter of 1954 showed a fractional increase over the first quarter of the year and was 1 percent over a year ago. Consumer spending for durable and nondurable goods and for personal services rose during the second quarter to a level 1 percent above a year ago. The greater increase of consumer expenditures compared with income resulted in a decrease in net personal savings of from 8.6 percent of disposable personal income in the first quarter to 7.8 percent in the second quarter.

Income and Expenditures	Second quarter 1954 (*billion dollars*)	Change from First quarter 1954	Change from Second quarter 1953
		—(*percent*)—	
Disposable personal income	252.9	+0.2	+1.0
Personal consumption expenditures	233.1	+1.1	+1.0
Expenditures, nondurable goods	120.0	+1.0	+0.3
Personal net savings	19.7	−9.6	+0.5

Business Failures

The total number of commercial and industrial failures rose mildly to 207 in the first week of August compared with 195 in the preceding week. Manufacturing accounted for most of the rise in failures during the week.

July failures totaled 805 compared with 653 in July, 1953, and 548 in July, 1952.

The 2,883 failures during the second quarter of 1954 was more than 30 percent above the second quarter of 1953. Manufacturing showed more than an average increase in failures over a year ago, with 591 during the second quarter, 42 percent higher than during the second quarter a year ago. In contrast, food and kindred products manufacturers and canning and preserving especially showed up very favorably in both the number and current liabilities of failures.

The June index of business failures stood at 43 for each 10,000 enterprises compared with 41 in May of this year and 36 a year ago. In 1939 the June index stood at 69. Casualties in the textile and apparel industries increased markedly in June while failures in the paper and printing industries dropped to the lowest level this year. Compared with a year ago, more businesses failed in all major groups of industry. The greatest increase occurred in manufacturing and construction. All manufacturing industries except food and paper industries had more casualties than a year ago.

Regionally, failures in New England in June were the lowest this year while those in the Pacific states climbed to a record high, principally because of an increase in California failures.

	Second quarter 1954	Change from First quarter 1954	Change from Second quarter 1953
	(number)	—(percent)—	
Business Failures:			
All business	2,883	−0.4	+30.6
Manufacturing*	591	+1.5	+41.7
Food and kindred products	45	0	+15.4
Canning and Preserving	7	+16.7	0
	(thousand dollars)	—(percent)—	
Current Liabilities:			
All business	122,619	−16.4	+21.5
Manufacturing*	40,563	+2.0	+40.7
Food and kindred products	6,516	+74.0	+18.6
Canning and Preserving	1,178	+51.6	−63.8

* Excludes mining.

SBA Publications

The Small Business Administration, which has headquarters in the Lafayette Building, Washington 25, D. C., has issued the following publications as management aids for small business:

"Loan Sources in the Federal Government"—describing the purposes for which the federal government will make loans or guarantee loans and listing where to apply.

"How Manufacturers' Agents Help Small Business"—points out advantages and disadvantages of using manufacturers' agents and offers a checklist which the small business owner may use in determining whether his company would be likely to benefit by using manufacturers' agents.

"How to Reduce Your Operating Costs"—guides on the real problems, suggestions on launching a program, and checkpoints in achieving a successful program.

Credit Accounts Receivable

Accounts receivable in May in most cities were essentially unchanged in age of accounts from a year ago, according to the most recent survey by the Credit Research Foundation. The U. S. average proportion of accounts past due was up 2.4 percent above a year ago.

Biggest changes were in Memphis, where the number of accounts past due was up 36 percent over a year ago, and in Richmond, where past due accounts were 21 percent greater than a year ago. Five of the six cities in the South Central states showed increases in the past due accounts over May of 1953 and five of the seven cities in the North Central area showed small increases.

The following table summarizes the condition of accounts receivable in each area:

Accounts Past Due, May, 1954

Region	Retail	Wholesale-Jobber distribution	Manufacturing-Industrial	Change in age of accounts
	Percent change from May, 1953 (percent)			(days)
Northeast	−1.2	−2.7	+0.4	−2.7
Mid-Atlantic	−2.5	+3.7	+3.5	−0.1
South Atlantic	+1.1	−1.1	+3.4	−3.3
North Central	+1.8	−1.5	+4.1	−0.8
South Central	+5.7	+2.2	+3.6	+0.3
West	+3.2	+1.3	−1.7	+3.1
U. S.	+0.4	+1.5	+0.5	+0.2

1954 Cranberry Production

Cranberry production for 1954 is forecast at 978,000 barrels, 19 percent less than the record crop of last year but 24 percent above average, on the basis of August 15 conditions, according to the Crop Reporting Board of USDA.

Each state is below last year, but each is above average except New Jersey, which is 3 percent below.

State	1954 Preliminary (barrels)	Percent change from 1943–52 ave.	Percent change from 1953 revised
Massachusetts	590,000	+20	−16
New Jersey	75,000	−3	−30
Wisconsin	225,000	+35	−24
Washington	58,000	+51	−22
Oregon	30,000	+107	−7
Total five states	978,000	+24	−19

Pack of Canned Meat

The quantity of meat canned and meat products processed under federal inspection during the month of July has been reported by the Agricultural Marketing Service, USDA, at 112,272 thousand pounds, including quantities for defense.

Canned Meat and Meat Products Processed under Federal Inspection July, 1954

	3 Lbs. & over	Under 3 Lbs.	Total
	(thousands of pounds)		
Luncheon meat	13,628	12,181	25,809
Canned hams	7,524	184	7,708
Corned beef hash	210	4,788	4,998
Chili con carne	434	4,830	5,265
Vienna sausage	82	4,554	4,636
Frankfurters and weiners in brine	6	841	847
Deviled ham	.....	467	467
Other potted and deviled meat products	.....	3,493	3,493
Tamales	81	2,422	2,503
Sliced, dried beef	22	293	316
Liver products	.....	340	340
Meat stew	21	2,341	2,362
Spaghetti meat products	143	5,318	5,461
Tongue (not pickled)	38	54	92
Vinegar pickled products	576	1,046	1,622
Bulk sausage	.....	468	468
Hamburger	118	1,437	1,555
Soups	400	21,617	22,017
Sausage in oil	339	153	492
Tripe	4	461	465
Brains	.....	124	124
Bacon	30	4	34
All other products 20% or more meat	351	4,983	5,334
All other products less than 20% meat (except soup)	146	11,404	11,550
Total all products	24,156	83,803	107,960

Columns do not add to totals shown in all cases since rounded figures are used. Amounts packed for defense are not included in these items. Total production, including quantities for defense agencies, was 112,272 thousands pounds.

Information Requested on Canner Community Activities

As part of the N.C.A. Consumer and Trade Relations program, contacts have been made with editors about the possibility of using material on the community activities of canners.

By community activity is meant assistance or leadership in contributions to worthy local institutions such as schools, hospitals, recreation centers, clubs and charities, efforts by the canneries to benefit the local population in terms of health, education or leisure-time pursuits.

N.C.A. members engaged in any of these projects, or holding public office in the community, are requested to please send a brief account to the N.C.A., 1133 20th St., N.W., Washington 6, D. C.

Foreign Purchasing Agencies

The pamphlet *Foreign Government Purchasing Agencies*, revised as of July, 1954, is available from the Commercial Intelligence Division, Bureau of Foreign Commerce, U. S. Department of Commerce, Washington 25, D. C., or from any of the Commerce Department field offices at 10 cents a copy.

The list contains the names and addresses of foreign government missions in the United States which maintain procurement and purchasing agencies in this country.

Simplified Recipe Terms

(Concluded from page 273)

visited self-service stores, and conferred with food writers, industry home economists, and teachers of food marketing classes.

Results of this work were presented in a 1953 release to food writers, with recommendations for using weight or fluid measure terms to describe many —but not all—container sizes. A heavy response of letters from food writers commended the new method as being much more workable.

Following further study and consultation, a questionnaire was sent this year to home economists in the canning industry for recommendations. The majority favored the use of either weight or fluid measure to designate all container sizes. It was pointed out that this information must appear on the label, that retail stores use it almost entirely in consumer advertising, and that in self-service stores it is almost necessary to rely on label information as a buying guide.

Copies of the N.C.A. recommendation, entitled "Simplified Recipe Terms for Canned Foods," were mailed recently to N.C.A. members.

Tariff Simplification

(Concluded from page 273)

encountered is to be filed by March 15, 1955.

The legislation also transfers from the Secretary of the Treasury to the Tariff Commission the injury determination under the Antidumping Act of 1921.

The legislation also is intended to correct inequities and provide for more effective enforcement and administrative procedures.

Tuna Booklet Published

A 36-page illustrated descriptive booklet entitled, *Tuna, A Saga of the Sea*, has been published by the Tuna Research Foundation, 19 Pine Ave., Long Beach 2, Calif.

The booklet gives a brief history of canned tuna and the fishing fleets of today. A chapter is devoted to nutritive values. Recipes, accompanied by colored illustrations, are given for main courses, salads, sandwiches, soups and hors d'oeuvres.

The booklet is concluded with a description of the processes used to can tuna and the styles of pack.

Census of Manufactures

Congress this week completed action and sent to the President H. R. 9936, making supplemental appropriations for the current fiscal year, in which funds are provided for the censuses of business, manufactures, and mineral industries. The legislation appropriates $8,430,000, to remain available through 1957.

Cling Peaches for USDA

The U. S. Department of Agriculture on August 13 announced acceptance of offers of 893,340 cases of U. S. Choice grade canned clingstone peaches for delivery during the period August 23 through October 2 in the National School Lunch Program.

All offerings of clingstone peaches were accepted, USDA said. Purchases consisted of 625,640 cases of No. 10's and 267,000 cases of No. 2½'s.

Canned Foods for VA

The Veterans Administration has invited sealed bids to furnish the following:

APRICOTS—5,250 dozen No. 303 cans, water pack, or equivalent in No. 2½ or No. 2 cans. Bids due under S-68 by Aug. 25.

SAUERKRAUT—4,690 dozen No. 10 cans. Bids due under S-78 by Aug. 25.

PLUMS—5,000 dozen No. 303 cans, purple plums, water pack; 4,875 dozen No. 10 cans, purple plums, in heavy syrup; and 2,000 dozen No. 10 cans, green gage plums, in heavy syrup; or equivalents in other size cans. Bids due under S-36 by Aug. 30.

SARDINES—4,250 dozen No. 1 cans, sea herring or pilchard sardines, in vegetable oil or natural; or equivalent in No. ¾ cans. Bids due under S-80 by Sept. 7.

TABLE OF CONTENTS

	Page
Association Activities	
Simplified recipe terms for canned foods	273
N.C.A. mobile field lab operates in New York State	273
Congress	
Congress sends compromise farm bill to President	273
Customs bill provides for overhaul of tariff schedule	273
Census of manufactures	276
Consumer and Trade Relations	
Information requested on canner community activities	276
Foreign Trade	
Foreign purchasing agencies	27[illegible]
Procurement	
Cling peaches for USDA	276
Canned foods for VA	276
Publications	
SBA publications	275
Tuna booklet published	276
Publicity	
Canned foods as healthful as fresh, says article in *McCall's*	273
Statistics	
Business indicators	274
Credit accounts receivable	275
1954 cranberry production	275
Pack of canned meat	275